



County Welfare Directors Association of California

925 L Street, Suite 350, Sacramento, CA 95814 (916) 443-1749

Frank J. Mecca, Executive Director

CWDA

Washington, DC Office
Tom Joseph
Waterman & Associates
900 Second Street NE
Washington, DC 20002
(202) 898-1444
tj@wafed.com

To: County Welfare Directors Association of California

From: Tom Joseph, Director, CWDA Washington, D.C. Office

Date: May 8, 2012

Re: Federal Update

Congress has returned from yet another one-week recess.

House Committee Adopts Budget Reconciliation Bills: On Monday, the House Budget Committee adopted a bill cutting a wide variety of programs, including the Supplemental Nutrition Assistance Program (SNAP) and Medicaid. The measure would also eliminate the Social Services Block Grant (SSBG). Adopted by a party line vote of 21-9, the measure will head to the floor on Thursday and will be adopted by a similar party line vote.

The Republican bill is intended to be an alternative to the across-the-board cuts slated for January 2013, giving the GOP the ability to contend that they tried to head off a sequester, but the Democrats opposed their efforts.

SNAP Cuts: The bill would cut SNAP by repealing on June 30, 2012 the 13 percent boost in SNAP benefits enacted in the Recovery Act. It would also severely restrict categorical eligibility for SNAP, including restricting such automatic eligibility only to CalWORKS cases which are receiving a cash benefit. The legislation would also eliminate the eligibility connection between LIHEAP and SNAP ("Heat and Eat") that California plans to implement next year. Additionally, it would cut the SNAP employment and training program by 72 percent.

Health Cuts: The legislation cuts future special Medicaid reimbursements to safety net hospitals and ends the Prevention and Public Health Block Grant. Enacted in the Affordable Care Act, the Block Grant provides local health departments and other entities with flexible funding to support preventive health programs and other public health initiatives designed to promote community-wide health screenings and reduce medical care costs.

SSBG: For the first time ever, the SSBG is targeted for savings. A bipartisan program until now, Republicans are arguing that the SSBG duplicates other federal funding streams and proposes to eliminate and cut the entire \$1.7 billion appropriated for it per year. CWDA sent a letter to the House Ways and Means Committee in late April opposing this cut. (See attached.)

Senate Democratic leaders have already signaled that they will not bring the bill to the Senate floor. The House bill will, then, continue to be used as a political document both

sides will use as campaign fodder, with very little progress made on the federal budget until after the elections.

Farm Bill/SNAP Reauthorization: In late April, the Senate Agriculture Committee adopted its farm bill reauthorization. The bill contains some cuts to SNAP. Savings of about \$4.5 billion over ten years would come from restricting the coordination of eligibility determinations for LIHEAP and SNAP benefits. Also of concern is the insertion of language right before the markup which would reduce the Quality Control (QC) tolerance level for payment errors from \$50 to \$25. That fiscal impact is not yet calculated. Also included is a provision to make it more administratively burdensome for states to operate the Restaurant Meals Program (RMP) which allows the elderly, persons with disabilities and homeless individuals to purchase meals at identified, low-cost restaurants. CWDA signed on to a letter opposing the RMP provision (attached) and is working with APHSA, NCSL, NACo and others on the QC provision. Other amendments to cut SNAP were withdrawn but may be offered when the bill comes to the Senate floor.

On Tuesday, the House Agriculture Subcommittee on Nutrition and Horticulture conducted a hearing on the farm bill. The House Agriculture Committee has not released draft legislation nor has it scheduled a markup on its version of a farm bill.